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GORDON & SILVER, LTD.  
 GERALD M. GORDON, ESQ.  
 Nevada Bar No. 229  
 E-mail: [gmg@gordonsilver.com](mailto:gmg@gordonsilver.com)  
 GREGORY E. GARMAN, ESQ.  
 Nevada Bar No. 6654  
 E-mail: [geg@gordonsilver.com](mailto:geg@gordonsilver.com)  
 KONRAD PILATOWICZ  
 Nevada Bar No. 9651  
 E-mail: [kpilatowicz@gordonsilver.com](mailto:kpilatowicz@gordonsilver.com)  
 3960 Howard Hughes Pkwy., 9th Floor  
 Las Vegas, Nevada 89109  
 Telephone (702) 796-5555  
 Facsimile (702) 369-2666

**UNITED STATES BANKRUPTCY COURT  
 FOR THE DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case Nos.:  
 BK-S-06-10725-LBR  
 BK-S-06-10726-LBR  
 BK-S-06-10727-LBR  
 BK-S-06-10728-LBR  
 BK-S-06-10729-LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

JOINTLY ADMINISTERED  
 Chapter 11

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**DECLARATION OF  
 WILLIAM J. BULLARD IN  
 SUPPORT OF THE  
 OPPOSITION TO MOTION  
 FOR ORDER TO REMOVE  
 FERTITTA ENTERPRISES,  
 INC. AS MEMBER OF  
 OFFICIAL COMMITTEE  
 OF HOLDERS OF  
 EXECUTORY CONTRACT  
 RIGHTS**

Affects:  
☐ All Debtors  
☒ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

Date: June 21, 2006  
 Time: 9:30 a.m.

1 I, William J. Bullard, declares as follows:

2 1. I am over the age of 18 and mentally competent. I have personal knowledge of  
3 the facts in this matter and if called upon to testify, could and would do so. I make this  
4 declaration in support of the Opposition to Motion for Order to Remove Fertitta Enterprises, Inc.  
5 as Member of Official Committee of Holders of Executory Contract Rights.

6 2. On April 13, 2005, USA Commercial Mortgage Company, USA Securities, LLC,  
7 USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA  
8 Capital First Trust Deed Fund, LLC filed voluntary petitions for relief under Chapter 11, Title 11  
9 of the United States Code.

10 3. On May 11, 2006, the Office of the United States Trustee (the "US Trustee")  
11 appointed several members to the Official Direct Lender Committee.

12 4. Shortly thereafter, on behalf of Fertitta Enterprises, Inc. ("Fertitta"), I was elected  
13 by my fellow Committee members to serve as the Chairman of the Official Committee of Direct  
14 Lenders.

15 5. In 1980, I received a degree in accounting and finance from New Mexico State  
16 University. I am a Certified Public Accountant by professional background with over 10 years  
17 practicing the accounting firm of Arthur Andersen, LLP. For the past 13 years, I have served as  
18 Chief Financial Officer of Fertitta, a private investment company with extensive holdings in  
19 public and private equity and debt securities, commercial and residential real estate  
20 developments, and controlling interests in privately held operating companies. For the past six  
21 years, I have been a member of the Board of Directors of Nevada First Bank, serving as its  
22 Chairman for the past three years.

23 6. Fertitta is a Direct Lender associated with multiple promissory notes brokered by  
24 USA Mortgage, including the Hasely Canyon Note and Tapia Ranch Note identified in Debtor's  
25 Motion. True and correct copies of the Hasely Canyon Note and Tapia Ranch Note are attached  
26 to hereto as Exhibits "A" and "B" respectively. Additionally, true and correct copies of the  
27 Hasely Canyon Loan Agreement and Tapia Ranch Loan Agreement are attached hereto as  
28 Exhibits "C" and "D".

7. If it is true that USA Mortgage has not been paying other Direct Lenders the proper interest due them (which has not yet been established), both Fertitta and I were unaware of such misconduct by USA Mortgage. Furthermore, I have never negotiated for a rate of interest greater than that of other Direct Lenders. In fact, Fertitta was solicited by USA Mortgage (the "Solicitation") to become a direct lender in Hasely Canyon and Tapia Ranch at the interest rate set in the Solicitation which was non-negotiable. A true and correct copy of the Solicitation received by Fertitta related to Hasely Canyon is attached to the hereto as Exhibit "E" respectively.

8. The Solicitation clearly identifies an interest rate of 18%.

9. USA Mortgage attempts to make great significance out of two letter agreements dated March 10, 2004 (the "Hasely Letter Agreement") and September 28, 2004 (the "Tapia Letter Agreement", collectively the "Letter Agreements"). Given the size of Fertitta's loans, USA Mortgage benefited in the form of a substantial cost saving on the transactions in which Fertitta participated. Among other benefits obtained by USA Mortgage, the funds provided by Fertitta were not subject to the payment of sales commissions to individual brokers, and it negated the necessity to raise small amounts of money from a vast number of individual Direct Lenders. Because of its cost savings associated with the Fertitta loans, upon the repayment of the Hasely Canyon and Tapia Ranch loans and reconveyance of the accompanying deeds of trust, USA Mortgage offered to pay Fertitta a pro rata share of the exit fees due from the borrowers. In each instance, and only upon the repayment of the loans and the reconveyance of the related deeds of trust, Fertitta will receive a pro rata share on an exit fee of approximately one-quarter of one percent.

10. Neither I nor Fertitta have a personal relationship with USA Mortgage's prior management, specifically including Joseph Milanowski and Tom Hantges, in any capacity other than as a Direct Lender.


11. In the interests of full disclosure, on May 22, 2006, I contacted August B. Landis, Assistant U.S. Trustee (the "Trustee") to disclose the existence of the Letter Agreements and their content. After evaluating the Letter Agreements, the Trustee indicated that he believed

1 Fertitta remained representative of other Direct Lenders in that they all share an interest in  
2 receiving full payment of their interest and principal.

3 12. On May 23, 2006, the Official Direct Lenders Committee met for its initial  
4 meeting. I placed the Letter Agreements before the committee as the first act of business. I  
5 provided a copy of the Letter Agreements to each member of the Official Direct Lenders  
6 Committee and suggested that the Official Direct Lenders Committee call the Trustee to discuss  
7 any conflict of interest the Letter Agreements may pose. I then left the room to allow the  
8 Official Direct Lenders Committee to discuss the Letter Agreements without my presence. The  
9 Official Direct Lenders Committee unanimously concluded that the interests of Fertitta and other  
10 Direct Lenders are identical in that they seek the repayment of their principal and interest in full.

11 13. I am fully aware of my fiduciary duty as a member of the Official Direct Lender  
12 Committee and fulfilled those duties to the best of my ability. Furthermore, there have been no  
13 allegations that I have failed to fulfill any of my fiduciary duties.

14 Dated this 19<sup>th</sup> day of June, 2006.

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16 WILLIAM J. BULLARD  
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